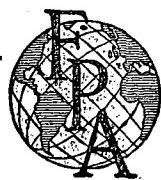


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CREATION OF INDIAN GOVERNMENT PROVOKES MOSLEM OPPOSITION

WHILE Moslem and Hindu rioters ran wild in Calcutta and other Indian cities on August 16-19, killing over three thousand persons and injuring many more, the Congress party and the Viceroy, Viscount Wavell, attempted to form a popular government capable of ruling India until it gains its full freedom. Jawaharlal Nehru, President of the Congress, accepted the Viceroy's invitation to set up an all-Indian Executive Council on August 12. This decision broke the deadlock which had arisen over Britain's offer to free India, first announced by the Attlee Ministry on May 16, when it outlined the basis for a future Indian constitution.

Both Congress and the Moslem League originally accepted the long-term proposals of the Labor Cabinet for India's new government. On July 29, however, the League revoked its earlier stand and warned of direct action in protest against what it considered a breach of faith on the part of both Britain and the Hindu-dominated Congress party. Violence first flared up on the day that Mohammed Ali Jinnah, President of the League, called for a work stoppage to demonstrate Moslem rejection of the British scheme. Jinnah and other leading Moslems insist that a free India must be a divided India, with Hindustan for the Hindus and Pakistan for those areas whose population is predominantly Moslem.

QUARREL OVER INTERIM REGIME. Before making its overture to the Congress party to form an interim government, Britain faced a difficult decision — whether to maintain the present "caretaker" régime or attempt to create some form of all-Indian Executive Council. The Viceroy's action evidences London's intention to withdraw from India, even at the risk of arousing the antagonism of the Moslems. Congress and the League were split

from the outset on the British proposals for a temporary régime in which both parties would have had parity. Congress rejected a coalition on equal terms with the Moslems, fearing that the latter might thereby achieve their goal of Pakistan. The Moslems, for their part, would not accept any offer by which Congress was free to appoint non-League Moslems to the government. The two parties have also differed on their interpretation of the powers and functions to be assigned to the constituent assembly recently elected to write the new constitution. Instead, the League has asked that two constitution-making bodies be established to devise the basic laws for the separate states it envisages. Congress hopes that the constituent assembly will become fully sovereign at once, and speak and act from the outset for India as a whole.

In designating Jawaharlal Nehru to establish a representative government, British officials are about to hand over great authority to the Congress party and its President, who are, of course, prepared and eager to accept this responsibility. The British Cabinet Mission, which was sent to New Delhi last May, went far toward admitting that Congress was fully representative of India. The Viceroy has now required of Nehru only that he include various Indian minorities in the new Executive Council. The Congress President, in turn, has notified Viscount Wavell that the Council must be responsible to the Central Legislature in India, and that the Viceroy's wide powers of veto over the acts of that assembly must be given up. It is doubtful if Wavell can consent in any formal way to this request. He may, however, agree to be bound by Council decisions, except in extraordinary cases where it is necessary to employ the army to maintain order.

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FREEDOM OR CIVIL WAR? Although India stands on the threshold of independence, the Moslem-Hindu rift has widened. Civil war is not imminent, but interparty strife may well delay India in taking over complete sovereignty from Britain. During the period from the middle of May to the current violent outbreaks, there was danger that a war of independence against Britain might still prove necessary. But this is no longer true. Any full-scale civil conflict in India can hardly develop so long as the Indian army is at hand and under control of the central government. Moreover, if Congress adherents follow the principles of non-violent resistance which Gandhi has championed, there is little likelihood of formal warfare. Only now has the Moslem League adopted direct action techniques. Within recent weeks prominent Moslems, for the first time, have given up British titles and other honors. The League is not as effectively organized as Congress, nor does it have as great discipline over its members. Neither group is armed, but riots and other disturbances may continue until India's constitution is in full operation.

Until Congress and the League can agree on some coalition régime, India will be governed by a Congress administration. The original British proposals

BIG THREE VIE FOR ECONOMIC RIGHTS IN SMALL COUNTRIES

The speeches of the heads of the Big Four delegations at the Conference of Paris last week clearly revealed that in drafting the peace treaties for Italy and the three Danubian states, a basic consideration is the future not only of the economy of these former Axis satellites, but of the entire world trading system. Russian domination of the economy of the Balkans may, however, already be a *fait accompli*.

MOLOTOV OBJECTS TO EQUAL TRADE RIGHTS. In a speech on August 13 assailing Premier de Gasperi's plea for Italy, and two days later in a reply to addresses by Secretary of State Byrnes and the British delegate, A. V. Alexander, the Russian Foreign Minister stated in effect that the proposals of the Western powers spelled economic enslavement for Italy and the Balkan states. He held no brief for Italy's territorial claims; but he expressed sympathy for the Italian people who must bear "colossal" occupation costs. If these payments were reduced, he said, then the reparations due Russia would not be an intolerable burden. Mr. Molotov warned the Italian people that they were dangerously exposed to "foreign powers, disposing of great capital and vast means of pressure, who exercise their privileges to the detriment of the interests of the Italian Republic." In other remarks, he mentioned "certain politicians claiming to be true friends of Italy," and "countries that have become even richer in war."

for India's future constitution, therefore, will be interpreted more according to Congress wishes than would otherwise have been possible. The constituent assembly itself may now operate mainly as the Congress party desires. Doubtless the new India will become a more strongly unified state, for Congress has long fought for a united country. But the British federation plan will be retained, and a great degree of provincial autonomy will also be sanctioned by the constituent assembly as Britain first suggested.

The Congress government is scheduled to take office this week, whether or not League Moslems are represented. On August 18 Jinnah announced to the press that the deadlock between the two parties was "absolute," and charged that Congress wished to be installed in power over all Indian minorities with the help of British bayonets. But Indian leaders on both sides decry further bloodshed, and attempts are still being made to reach agreement between the two parties. The League may decide that its best chance for a full hearing on the Pakistan issue can be gained inside, rather than outside, the interim government.

GRANT S. McCLELLAN

RIGHTS IN SMALL COUNTRIES

In his second speech, the Soviet spokesman referred again to the dangers he detected in the economic program of the Western powers. Russia, he conceded, favored both reparations and compensation; but compensation for damage to property of Allied nationals should not be fully exacted from the Danubian states, for that would impose too great a burden on them. Obliquely, he once more reminded his listeners of rich and powerful nations animated by sinister designs. He dismissed the doctrine of equality of economic opportunity with the remark that it was "not Iceland but the United States that suggests this principle," which "is convenient only to countries capable of dominating the weaker states through the power of their capital." In short, as the Russians saw it, the fateful issue before the conference was whether Western capitalism should be allowed to enslave the economies of small states.

BYRNES' REBUTTAL. Molotov's attack on the principle of equality of economic opportunity placed the Western powers on the defensive; for, as Mr. Byrnes remarked, that principle was embodied in the Atlantic Charter and reaffirmed in the United Nations Declaration. It had been taken for granted that, as members of the UN, Russia and nations in its orbit of influence subscribed to the doctrine of the sovereign equality of nations; but did this tenet embrace economic equality? The core of Byrnes' speech was that the answer to this ques-

tion must be in the affirmative. The principles of equality and most-favored-nation treatment, he pointed out, are two sides of the same coin. The former "permits each nation to carry on its economic relations with others along lines of its own economic welfare"—to exercise economic sovereignty; while the second principle guarantees against discriminatory treatment, i.e., preferential trade arrangements, the net result of which is the organization of the world economy by blocs. That there is no equality for smaller states in a trading bloc was indicated by Mr. Byrnes when he reminded the conference how Germany had practiced economic penetration and encirclement in the Danubian countries. Would any one suggest, he inquired, that the bloc be continued by merely substituting "for Germany some other country upon which they would be almost entirely dependent for supplies and for markets?"

LOGIC VS. REALITY. If the economic ideals to which the United Nations is committed are to be achieved, then it must be conceded that Mr. Byrnes' logic is unassailable. As he clearly demonstrated, the choice is a unified world economy or a world divided into economic blocs. The contention of Mr. Molotov, however, that world trade founded on the principle of equality can be inimical to the interests of small and weak nations cannot be dismissed as a mere Communist dictum. Impartial ob-

servers have often pointed out in the past that when a country incorporates the most-favored-nation clause in its commercial policy while at the same time maintaining a high protective tariff, there is no real equality of trade. Multilateral, nondiscriminatory trade is truly just and equitable for all only when trade restraints are at a minimum. Examining the commercial policy of the United States during the interwar period, it is clear that although this country did not practice trade discrimination (the insular possessions are an exception), its tariff policy was highly protectionist. As a result, equality of opportunity to sell in the American market was of little practical value. With a constantly favorable trade balance, gold flowed in steadily and—even though we exported much capital—critics abroad accused us of monopolizing the wealth of the world. These critics were not by any means always Communists. Among them were many conservative British industrialists who insisted that Britain must rely on an empire trading bloc. It is not enough merely to remove discriminatory practices to achieve freedom of trade. If a study of the interwar period proves anything, it is that unless trade barriers are markedly reduced, economic blocs will develop. This fact is recognized in the American proposals for an International Trade Organization.

HAROLD H. HUTCHESON

U.S. STREAMLINES MACHINERY OF DIPLOMACY

WASHINGTON. The Foreign Service Act of 1946, which President Truman signed on August 13, should make it possible for the United States to improve and expand the activities of its 303 embassies, legations and consulates in 68 countries throughout the world. In the opinion of the Foreign Service itself the Act is a good but long overdue bill, and represents the product of two years of careful self-examination by the organization. Contrary to the expectations of the Service, Congress made only slight changes in its recommendations. Both the House, which passed the bill on July 20 after a short debate, and the Senate, which rushed the measure through on July 29, readily agreed that the proposals were essential for the effective conduct of American foreign relations.

REFORM MERITS PUBLIC SUPPORT. In theory the Foreign Service has the two-fold task of reporting on international affairs to Washington and representing the United States throughout the world. In fact, however, the reports of Foreign Service officers furnish only one of the many sources of official information concerning developments abroad and, in negotiations with foreign governments, the Service can be by-passed by the President, the Secretary of State and his assistants, or various

government departments. Nevertheless, American foreign policy is more strongly influenced by its envoys and career diplomats than is generally realized, and the efforts of the Service to reform itself should, therefore, be of widespread interest.

Among the most glaring defects of the Foreign Service has been the fact that independent wealth has been a prerequisite for the more important diplomatic posts. With the salaries of American Ambassadors fixed, by a law of 1855, at \$17,500 and that of Ministers at \$10,000, with various allowances in addition, it has rarely been possible for men without private means to represent the United States in the key posts of London, Moscow, Rome, Buenos Aires, or even the less expensive capitals. Under the new legislation the salaries of Ambassadors and Ministers will range from \$15,000 to \$25,000, plus "representation" allowances of \$5,000 to \$25,000, and miscellaneous allowances already authorized by law. According to this scale, the American Ambassador to the Court of St. James, for example, will receive approximately \$60,000, more than half of it tax-free. Basic salaries of career men in the diplomatic service have also been scaled upward, with a view to making it at least somewhat more possible for men of ability who lack private incomes to become Foreign Service officers. Whereas young offi-

cers of the lowest grade formerly received \$3,271 a year and their highest ranking superiors were paid \$10,000, members of the Service will henceforth receive annual salaries ranging from \$3,300 to \$13,500.

Another serious shortcoming of the Service has been its system of promotion. The new law establishes larger selection boards, which will be composed of three men from the State Department and four from the Foreign Service, and provides that their members shall seek the widest possible basis of evaluation in considering the promotion of each officer. Then, in an effort to assure the removal of less able members from the Service, the Navy's system of "promotion up or selection out" will be applied. Under this rule officers who fail to win promotion within a prescribed period of years will be automatically retired.

Although the written and oral examinations whereby the Foreign Service recruits its officers have frequently been attacked as academic and ineffective, the organization has not seen fit to change this phase of its administration. At the same time the Service adheres to its belief in the principle whereby the majority of its members must enter at the lowest levels and work their way up through the grades. Nevertheless, the authors of the reform bill have recognized the necessity of permanently modifying the apprenticeship system of training in order to secure men with outstanding ability along specialized lines, and to this end they have established the Foreign Service Reserve. These Reserve officers will hold temporary appointments at the end of which they may be eligible to enter the career service at ranks commensurate with their experience, age and ability.

"RE-AMERICANIZATION" PROGRAM. Probably the most important new idea in the reform bill is embodied in the plan for the "re-Americanization" of Foreign Service officers. One of the principal criticisms which has been leveled at the Service has been that its members tend to lose touch with developments within the United States and hence give an erroneous impression of America abroad. In the past the Service has seldom been able to pay an officer's fare back to the United States every three years, and in many cases the period was much longer. The new bill provides compulsory home leave after two years of service abroad, and declares that at least three of an officer's first fifteen years of service shall be spent on assignments in the United States. It further contemplates that officers

will be brought home for advanced in-service training concerning the countries to which they are to be assigned. However, instead of attempting to establish an equivalent of West Point or Annapolis as a training center, the Service will send its members to various universities to take advantage of specialized training programs and to improve the officer's first-hand knowledge of areas of the United States with which they were not formerly acquainted.

Whether these major changes in legislation governing the Foreign Service will be sufficient to correct in the near future many of the organization's outstanding weaknesses is doubtful, largely because it will require a period of years for the Service to reap the results of the new promotion system and in-training program. Nevertheless, the fact that the Service has attempted its first thorough reorganization since 1924 at a time when it is planning an increase in membership from 850 to 1,280 holds promise of improvement in the technical efficiency of American diplomacy. WINIFRED N. HADSEL

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